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STATE FOR EEB/IFD/OIA AND NEA/MAG
USDOC FOR ITA/MAC/ONE (MASON)AND CLDP (TEJTEL AND MCMANUS)
CASABLANCA FOR FCS (KITSON)

E.O. 12958: N/A

TAGS: BEXP ECON EINV ETRD BTIO

SUBJECT: TUNISIA PROPOSAL FOR BFIF FUNDS

Below are Embassy Tunis' proposals, in rank order, for Business Facilitation Incentive Funds.

"Doing Business with the U.S." Roadshow

¶11. (U) Tunisia's economy is largely focused on trade with Europe, with U.S. exports at only \$502 million in 2008 (8th after France, Italy, and Libya). Tunisian businesspeople, trade organizations, and chambers of commerce often cite lack of information about how to invest and trade with the United States as a reason for this gap. To fill this demand for information, Post sent six candidates from the Tunisian private and public sector to the United States in December 2009 on a Single-Country Program (part of the International Visitor and Leadership Program) to learn about how to export to the United States. In November 2008, a representative came from the U.S. Trade Representative to speak to Tunisian audiences about the Generalized System of Preferences (GSP) program. Both programs were very successful, in large part because they met a pent-up demand for information.

¶12. (U) Post would like to organize a Roadshow to provide information to Tunisian entrepreneurs and the private sector on how to do business with the United States. Our Commercial section will present the portion on GSP, and the participants who went on the IVLP program will present information gleaned from that trip. The Roadshow will travel to major cities outside of Tunis (Bizerte, Sousse, Sfax), target entrepreneurs, and be organized in tandem with Tunisian trade and entrepreneurship organizations.

¶13. (U) The expected impact is increased bilateral commercial relations and a higher profile for the United States as a trading partner. The Roadshow will meet Tunisian demand for information about investing and exporting to the United States. Most Tunisian businesspeople have no idea where to go to find information - a Roadshow will provide them with the necessary tools and at the same time allow us to do media outreach to highlight the U.S. as a potential market.

¶14. (U) Funds will be needed by May 2010. Post is currently holding preliminary meetings with the IVLP alumni and the organizations we will partner with (Center for Young Entrepreneurs, the Tunisian-American Chamber of Commerce, Tunisian Customs, and UTICA, the Tunisian Employers' Association).

¶15. (U) Costs are estimated for a Roadshow that goes to Bizerte, Sousse, and Sfax. The rough itinerary is Day 1 (Bizerte - no overnight), Day 2 (travel to Sousse, Presentation, overnight in Sousse), Day 3 (travel to Sfax, Presentation, overnight in Sfax), Day 4 (return to Tunis). Participants will be Econ/Commercial Officer, Commercial Specialist, two participants from IVLP program, with a dedicated Embassy driver.

Hotel Participants (2 nights x \$150) = \$300 x 4 participants =

\$1200

M & IE Participants (3 days x \$98) = \$294 x 2 participants = \$588

Hotel driver (2 nights x \$150) = \$300

M & IE driver (3 days x \$98) = \$294

Driver overtime costs: \$250

Misc travel costs = \$400

Possible Space Rental Cost = \$800 (we anticipate other organizations to cover this)

TOTAL ESTIMATED COST: \$3832

¶6. (U) Points of Contact: Isabel E. Rioja-Scott, Econ/Commercial Officer, +216-71-107-460 (Rioja-ScottIE@state.gov)
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International Franchise Expo

¶7. (U) Until August 2009, the concept of franchising was not specified in Tunisian legislation, and franchising operations were approved on a case-by-case basis. New legislation, however, created an opening for the operation of foreign franchises in Tunisia - a market that is of particular interest to U.S. franchisors. In December 2009, Post coordinated with the Commercial Law Development Program (CLDP) to bring an expert speaker to Tunisia. He participated in the first-ever Tunisian franchise show, and held important consulting sessions with those in the Ministry of Commerce responsible for drafting the legislation (and the implementation decree, due out in February 2010). To build on this outreach we have offered, with possible CLDP funding, to bring a Tunisian delegation to the International Franchise Expo in April 2010 in Washington, DC. The delegation, to be comprised of three Ministry of Commerce representatives, two representatives from the Tunis Chamber of Commerce and Industry, and one from the Tunisian-American Chamber of Commerce, as well as private sector (self-paying) participants, will go to the IFE and also partake in specialized training offered by CLDP.

¶8. (U) Participation in the IFE and CLDP programs on franchising will have a direct positive impact for U.S. franchisors. The delegates will learn about the benefits and mechanics of franchising, and implement the adequate legal framework and business environment in Tunisia to allow franchises to thrive. The United States is a world leader in franchising and is poised to take advantage of this new market in Tunisia.

¶9. (U) The trip is planned for April 7-11, 2010, which means Post would need confirmation of funds by March 1, 2010.

¶10. (U) Cost calculations are based on covering six Tunisian participants and two USG personnel. The cost estimates cover airfare, per diem, miscellaneous travel expenses, translation/interpretation and materials. These cost estimates were estimated jointly with CLDP. The Embassy would consider partial funding for this proposal.

Economy Tickets (\$1,500 x 8) = \$12,800

Hotel Washington, DC (\$226 x 48) = \$10,848

M & IE DC (\$71 x 60) = \$4,260

Misc Travel (\$300 x 8) = 2,400

Local Transportation (\$9,000 x 1) = \$9,000

Interpretation Services and Travel (\$4,000 x 1) = \$4,000

Materials (\$1,000 x 1) = \$1,000

TOTAL ESTIMATED COST: \$44,308

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